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Senate Intelligence Unit to Protest Of Curbs on Infiltrating Domestic Groups

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WASHINGTON—The Senate Intelligence Committee will protest the Reagan administration's plan to eliminate curbs on the infiltration of domestic groups by intelligence agencies.

The committee plans to lodge its complaint later this week, when it sends the Central Intelligence Agency comments on guidelines that President Reagan plans to establish for intelligence activities, Senate staff members said. The Reagan plan, which would significantly ease some current restrictions on intelligence agencies, was sent to Congress for comments several weeks ago.

One of the most significant changes would affect infiltration of domestic groups. The Reagan plan would let intelligence agencies, with the Attorney General's approval, try to influence the activities of U.S. organizations. The current executive order, drafted by the Carter administration, prohibits intelligence agencies from infiltrating domestic groups for the purpose of influencing them.

The Carter order allows domestic groups to be infiltrated only under carefully defined circumstances and with the Attorney General's approval in each case. The Reagan order would allow infiltration under "procedures" to be established by the head of the agency concerned and approved by the Attorney General.

Intelligence committee members object to the change on the ground that it would violate civil liberties. Lawmakers also think the change would arouse public suspicion and anger at the intelligence community without greatly increasing its effectiveness.

"It wouldn't really change things substantially but it has drawn so much attention," said one intelligence committee staff member. "It's something that has just given a black eye" to the intelligence community.

The current curbs are intended to prevent CIA involvement in spying on domestic dissident groups that aren't suspected of breaking the law or "reasonably believed" to be acting on behalf of a foreign power.

The committee generally is united in objecting to changes in the rules curbing infiltration of domestic groups. But, as one Senate aide asserted, "there is general unhappiness" among lawmakers with the Reagan plan.

Some committee members object to sections that would ease restrictions on other domestic activities by the CIA. The Reagan plan would lift a prohibition on covert CIA activities in the U.S. and loosen restrictions on collecting and disseminating intelligence information about U.S. citizens. It also would eliminate controls on surveillance of Americans abroad.

At the same time, conservatives are unhappy because the proposed order doesn't call for broad changes in the intelligence bureaucracy. They would like a reorganization that would introduce competition among the various intelligence branches that analyze foreign military and political trends. They also want a central organization to coordinate counterintelligence files and activities.

These other complaints will be included in the comments the committee submits to the CIA, aides said. A CIA spokesman wouldn't predict yesterday whether the administration would change its plan, which won't become effective unless President Reagan signs it.

Separately, the committee chairman, Sen. Barry Goldwater (R., Ariz.), said the intelligence panel has finished gathering information in its investigation of CIA Director William Casey. The committee's staff will issue a report by the end of November.

The Committee has been studying Mr. Casey's finances and his hiring of Reagan campaign aide Max Hugel as head of the CIA's clandestine activities. Mr. Hugel resigned when he was accused by former business associates of improper financial activities.

Sen. Goldwater and Sen. Daniel Moynihan (D., N.Y.), the panel's top Democrat, met this week with Mr. Hugel, Senate staff members said. But committee staffers say the report isn't likely to contain information that would prompt calls for Mr. Casey's resignation.